

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:2462
ANSWERED ON:08.12.2005
UTILISATION OF SEAT CAPACITY
Singh Shri Ganesh

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether Indian Airlines (IA) and Air India (AI) have been utilising their seat capacity much below the capacity available with them;
- (b) if so, the details and the reasons therefor alongwith the percentage of capacity being utilised vis-a-vis the actual capacity; and
- (c) the concrete steps taken/proposed to be taken to utilise the available capacity?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a) and (b): Traffic rights to operate on international routes are governed by the bilateral air services Agreement signed with foreign countries. At present, India has Air Services Agreement with 100 countries. Actual utilization of traffic rights by any airline is, however, always guided by its commercial judgement. At present, both Air India and Indian Airlines are utilizing the seat capacity available to them optimally depending on several factors like available fleet capacity, traffic demand, global/economic situations, fulfillment of socio-economic responsibilities of being national carriers etc. The load factors achieved by Air India during 2004-05 is 69.8% and during April - June, 2005 is 71.8%, whereas Indian Airlines' passenger seat utilization for the period April - October 2005 is 65.9%.

(c): Both the airlines have been introducing various sales and marketing schemes from time to time to improve passenger seat utilization factors. Air India has launched its low cost carrier, Air India Express in order to retain market share on the price sensitive Gulf routes. The services of Air India Express will be progressively expanded to South East Asia and other Regions. Also, both the airlines are in the process of acquiring new aircraft, which will substantially enhance their product.